

**VIRGINIA RECYCLING MARKETS DEVELOPMENT COUNCIL**

**May 13, 2003**

**HENRICO TRAINING CENTER**

**GLEN ALLEN, VIRGINIA**

**10:00 AM to 12:30 PM**

**DRAFT MEETING MINUTES**

**1. Welcome and Introductions:**

Mike Benedetto, RMDC Chair, called the meeting to order and welcomed the members of the Virginia Recycling Markets Development Council and members of the public to the meeting.

<b>RMDC</b>	<b>Representing</b>	<b>Staff</b>	<b>Representing</b>
Philip Abraham	Plastics Industry	Steve Coe	DEQ
Paul Alcantar	Urban PDC	William Norris	DEQ
Michael Benedetto	Paper Industry		
Edward Duke	Recycling Industry		
Paige Holloway	Public-At-Large	<b>Visitors</b>	<b>Representing</b>
Diane Jones	Rural PDC	Tracy Elsass	VPPSA
John Kline	Tire Industry	Ray Hughes	
Richard Lerner	Metal Industry	Ron Perkins	SCS Engineers
Brian Salmon	Aluminum Industry	Kate Sicola	Fairfax County
Tom Smith	VACO	Tim Torez	Henrico County
Michael Ward	Oil Industry		
Douglas Wine	VML		
William Bailey	VDOT		
Michael Murphy	VDEQ		
William Vehrs	VDBA		
<b>Absent RMDC</b>			
Robert Kerlinger	Composting Industry		
Eddie Schneider	Waste Industry		
David Woodbury	Glass Industry		
Georgianna Ball	VDGS		

## 2. Determining Quorum

A quorum for the Virginia RMDC has been established as a simple majority of the appointed members to the Council. The Council is fully represented by 15 appointed members. Therefore a minimum of 8 members must be present to establish a quorum. A total of 9 of the appointed members were in attendance at the start of the meeting, therefore a quorum was established.

## 3. Approval of Minutes

The Chair called for the pleasure of the Council on the draft minutes of the January 22, 2003 meeting of the RMDC. P. Abraham offered a correction to the minutes related to the spelling of his first name. A motion to accept the minutes as corrected was made by D. Wine, seconded by W. Vehrs. The minutes were approved as corrected.

## 4. Recycling Market Assistance Reports

S. Coe of DEQ reported that at its October 21<sup>st</sup> meeting the RMDC had volunteered to contact the localities about their market concerns, and to report back to the Council at a future meeting. P. Abraham had offered to report at today's meeting on the calls made to localities about plastics markets. P. Abraham introduced Ron Perkins with SCS Engineers who reported on a survey conducted by the American Plastics Council to answer the question of "Is a Lack of Markets Impeding Plastics Recycling?" He reported that of the 44 localities reporting a market problem with plastics that 42 were successfully contacted during their survey efforts. (He noted that a number of the localities contacted expressed that this was the first call from a commodity industry that they had ever received and were grateful for the interest.) Of the 42 localities contacted, 5 communities reported having no recycling program and 37 reported operation of some form of recycling program. Thirty-one (31) localities reported collecting PET and HDPE plastic bottles. Six (6) indicated that they did not collect plastic due primarily to the cost of hauling loose plastic bottles to the nearest processing/baling facility. The survey resulted in the following conclusions:

- There is not "a lack of markets" for plastics.
- Markets in and around Virginia pay for **baled** plastic.
- Markets need to charge to take **loose** plastic to cover handling and processing costs.
- Transportation of **loose** plastic is costly.
- Plastics need to be **baled** to make transportation cost effective.
- Small communities and counties cannot justify purchase and operation of a baler.
- Without densification prior to delivery to the market, many small communities cannot justify the cost of collecting, rather than disposing of plastic.

He noted that his one message would be that **baled** plastic bottles have a reasonable market value while **loose** bottles have no or a negative value. He also pointed out that in areas of the state with low population that producing a bale or two a month of baled plastic bottles just wasn't cost effective for most localities. He stressed that it was not a lack of markets but the lack of baler availability and lack of densification capabilities in the state that would continue to impede plastics recycling in rural and low-density population areas of the state.

P. Abraham noted that rural areas just don't produce the **critical mass** of plastic bottles needed to support the purchase and operation of a baler.

M. Benedetto referenced the efforts of the National Soft Drink Association in conducting a project in Chesapeake and Hampton Roads to recapture single serve plastic bottles. P. Abraham noted that this project was an attempt to capture single serving plastic bottles away from the home. Ron Perkins added that this and other programs should be based on collecting **all** plastic bottles. This is based on the hypothesis that if you collect all plastic bottles that you will get more #1's and #2's, since 95% of all plastic bottles are PET and HDPE and the remaining 5% are #3, #4, #5, #6, and #7's. In addition, he noted that the biggest problem with plastics recycling is contamination.

D. Wine asked about the collection and recycling of plastic bags. Ron Perkins answered that TREX Lumber in Winchester buys most of the plastic bags collected in the state. Council members discussed the idea of arranging a tour of the TREX Lumber facility.

Ron Perkins noted that the recycling rate for plastic bottles is 22% nationwide. He added that the demand for material exceeds the supply available. He noted that based on information from the Association of Post Consumer Plastics Recyclers that there was not enough material being collected to meet the current demand for post consumer plastics.

Ron Perkins suggested that it might be useful to have a list and a map indicating the locations of all of the balers currently being operated in the state.

When asked about the recycling of other plastics, Ron Perkins responded that the only other plastic being recycling with any consistency is agricultural film. There is currently not an infrastructure or mechanism in place to handle non-bottle rigid containers. In addition he noted that systems are currently being developed across the nation to handle the hard plastics (casings/housings) associated with E-Waste. He also noted that "colored" PET bottles (i.e., plastic beer bottles) are being marketed and that there will be a problem when they first come out on the market but that once they reach a critical mass that there should also be viable recycling markets in place to handle this segment of the plastics waste stream.

## 5. Old Business

**Articles of Interest:** S. Coe discussed several articles of interest that he has been providing to the Council members for their review. Several additional articles were distributed as information to the Council members.

### **Subcommittee Reports:**

**Recycling Rate Subcommittee:** A preliminary report on the status of the Recycling Rate Reports for CY 2002 was presented. It was noted that 24 localities and/or Solid Waste Planning Units had not submitted their Reports. An analysis of all reports received will be presented at the next Council meeting.

**Solid Waste Surcharge Subcommittee:** It was noted that no legislation including the RMDC's recommended \$2-\$3 waste surcharge to support recycling programs in the Commonwealth was passed during this year's General Assembly Session.

**Market Assistance Surveys:** B. Salmon noted that he has completed the Aluminum Market Assistance Survey and would be willing to present his findings at the next Council meeting.

## 6. New Business

**Subcommittees for FY 2003:** Council members discussed possible areas of interest that should be examined by the Council. The areas discussed included the following:

- Position of Statewide Recycling Coordinator
- Recycling Equipment Tax Credits
- State Tax Study
- Local Government Assistance with Markets
- Tracking of National Groups that have innovative recycling program ideas
- Identification of Locations of Balers in Virginia
- Development of a Virginia "Waste Exchange"

B. Bailey commented that the Federal Government is in the process of reviewing the Transportation Act and that it appears that it will include a requirement for all Departments of Transportation to have a Recycling Coordinator Position. He suggested that even though this position would be primarily involved with transportation issues and the use of recycled materials in transportation projects that some of the Council's concerns regarding support of the use of recycled materials might also be addressed through this position.

M. Benedetto for the Council's recommendations for subcommittees for this year and asked for volunteers to serve on those committees. The Council agreed to the following subcommittees:

- **Recycling Coordinator Subcommittee:** Paul Alcantar (Chair); Ed Duke
- **Tax Credit Subcommittee:** Will Vehrs (Chair); Diane Jones; Ed Duke; John Kline
- **Local Government Subcommittee:** Phil Abraham (Chair); Tom Smith; Paige Holloway; Brian Salmon; Mike Ward
- **Surcharge Subcommittee:** Tom Smith (Chair); Phil Abraham; Bob Kerlinger
- **Recycling Rate Subcommittee:** Richard Lerner (Chair); Mike Murphy; Mike Benedetto

The Council discussed the Freedom of Information Act and Public Notice requirements that the Council and its subcommittees need to follow.

M. Benedetto asked that each of the designated subcommittee chairs organize their committees and develop recommendations for presentation at the next Council meeting.

#### **2002 Legislation - HJR 159 Discussion:**

M. Murphy informed the Council that House Joint Resolution 159, passed by the 2002 General Assembly, established a Joint Subcommittee to study the operations, practices, duties and funding of the Commonwealth's agencies and boards. This Joint Subcommittee will meet on Tuesday, May 20, 2003 at 1:00 PM in House Room C of the General Assembly Building to discuss the Virginia Recycling Markets Development Council as a "possible candidate for consolidation, elimination, reduction or increase of activities/funding". He noted that the Council Chair, Mike Benedetto and DEQ had been surveyed regarding the work of the RMDC, the success they have achieved and the associated costs. He also informed the Council that the Secretary of Natural Resources had been asked to make a recommendation for the Administration related to the RMDC and that the Administration's position was to support elimination of the Council.

M. Murphy discussed a number of factors that had been looked at during the evaluation process. Among the factors considered were the following:

- Lack of Progress on Actual Market Development Efforts
- Difficulties with the Nomination Process to fill positions on the Council.
- Difficulties with having a Quorum at each meeting.
- FOIA Requirements
- Lack of Funding to staff Council
- The requirement to develop and submit an Annual Report
- Is it necessary for the Council to be established by statute for it to accomplish its mission?

He informed the Council that DEQ had been asked to address the Joint Subcommittee regarding the staff support that DEQ currently provides. Mike Benedetto noted that he had also been asked to attend to participate in the discussions. DEQ staff supplied a copy of the Council's mandated charge for review by the Council. The Council members discussed the following issues:

- The new Natural Resources Partnership might be a possible source for funding for staff support for the Council.
- An emphasis should be made during the Chairman's comments to the Joint Subcommittee on the unique nature and makeup of the Council. The extent of Industry Representation and participation on the Council should be stressed.
- The Council has worked within the limits of the available resources to address its original charges. And that it has addressed a number of issues not in its original charter at the request of the General Assembly and special General Assembly Committees.
- The Council provides a unique forum to develop an infrastructure to work with local governments. The Council represents a good cross section representation to develop a recycling infrastructure.
- It does add to the Council's profile for its members to be appointed by the Governor.
- The Council provides a good platform for Industry, Government and Citizens to work together.
- The Council provides a filter mechanism for legislation effecting a commodity area.
- It is not important under which Secretariat (Natural Resources or Commerce & Trade) the Council is housed but that it be allowed to continue to exist and address its original mandate.
- The focus should be on ways to "incent" recycling by finding places for the recycled materials to go. Need to find ways to use recycled materials.

### **Legislative Update:**

DEQ Staff provided a summary of the Legislation that had been tracked by DEQ during the last General Assembly Session that might be of interest to the Council.

### **7. Public Comment**

Kate Sicola, representing Fairfax County, commented that even though this was only the second meeting that she had attended that there appeared to be a free flow of information between and among the Council members and there was a strong willingness to work together. She noted that there was a good combination of people and interest that had been assembled to participate in the Council.

### **8. Meeting Schedule**

The dates for future meetings of the Council for 2003 are:

Wednesday, August 20<sup>th</sup>, 2003      10:00 AM until 12:30 PM

Thursday, November 13<sup>th</sup>, 2003      10:00 AM until 12:30 PM

The Henrico County Training Center in Glen Allen, Virginia has confirmed meeting space for these dates.

### **9. Adjourn**

The Chair asked for and received a motion to adjourn. M. Ward moved and B. Salmon seconded the motion to adjourn. The meeting was adjourned at 12:30 PM.